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Letter dated 20 July 2012 from the Permanent Representative of Mexico to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a letter dated 20 July 2012 from the Deputy Minister for Foreign Affairs of Mexico and Sherpa for the Group of Twenty, Lourdes Aranda Bezaury, to the Global Governance Group (3G) (see annex).

As you are aware, on 5 June 2012 the Permanent Representative of Singapore to the United Nations, Albert Chua, presented recommendations prior to the Group of Twenty Leaders Summit in Los Cabos, Mexico, on coherent global governance and sustainable development, green growth and the fight against climate change, under agenda item 17 (b), Macroeconomic policy questions: international financial system and development, of the General Assembly at its sixty-sixth session.

I should be grateful if you would arrange for this letter and its annex to be circulated as a document of the General Assembly under agenda item 17 (b).

(*Signed*) Luis Alfonso **de Alba**
Ambassador
Permanent Representative

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Annex to the letter dated 20 July 2012 by the Permanent Representative of Mexico to the United Nations addressed to the Secretary-General

Response of the Mexican Presidency of the Group of Twenty to the proposals of the Global Governance Group

I have the honour to transmit to the General Assembly of the United Nations this letter of reply from the Mexican Presidency of the Group of Twenty (G20) in response to the proposals of the Global Governance Group (3G). I also wish to take this opportunity to inform you in brief of the key results of the G20 Leaders Summit, held on 18 and 19 June in Los Cabos, Mexico, which was attended by the Secretary-General of the United Nations, Mr. Ban Ki-moon.

The G20 Leaders Summit in Los Cabos was a success. Despite the difficult economic conditions being experienced around the world, important agreements were reached to promote growth, economic and financial stability and development. The leaders discussed pressing current issues, such as the eurozone crisis and the grim outlook for growth in developed and some emerging economies, while, nevertheless, making specific commitments on medium- and long-term agendas. The 3G proposals on fostering a coherent global governance framework and on promoting sustainable development, green growth and the fight against climate change, circulated on 5 June, were duly taken into account by the G20.

In the economic and financial spheres, the leaders adopted the Los Cabos Growth and Jobs Action Plan, which makes specific commitments on fiscal, exchange rate and structural issues to ensure global financial stability, boost demand and economic growth and create jobs. A new institutional framework was created for the Financial Stability Board, principal agency for promoting the smooth functioning of the world's financial system and coordinating the drawing up and implementation of the financial reform agenda. The agreement to increase the resources available to the International Monetary Fund (IMF) by more than 450 billion US dollars, which doubled its capacity to provided support and loans, is also of note.

In view of the interest shown by 3G in its proposals and press releases before and after the G20 Leaders Summit, details are given below of the main results in three areas: trade, development and inclusive green growth.

On trade, the G20 leaders reaffirmed their commitment to not implement protectionist measures affecting trade and investment until the end of 2014, and pledged to roll back any new protectionist measure that may have arisen in recent years. They also reaffirmed their commitment to pursue fresh, credible approaches to furthering trade negotiations, for example by enhancing the participation of developing countries in regional and global value chains. They reiterated their commitment to continue to work towards concluding the Doha Round, and confirmed the central role of the World Trade Organization (WTO).

The first months of the Mexican Presidency of the G20 were devoted to advancing three development issues: food security, infrastructure and inclusive green growth. Various international organizations, coordinated by the Food and Agriculture Organization of the United Nations (FAO) and the Organization for

Economic Cooperation and Development (OECD), produced a report on sustainable agricultural productivity growth and bridging the gap for small family farms, containing very useful recommendations and proposals for least developed countries. The leaders supported the Scaling Up Nutrition movement and reaffirmed their commitment to remove export restrictions and extraordinary taxes on food purchased for non-commercial humanitarian purposes by the World Food Programme.

Important measures were discussed and adopted in Los Cabos to promote inclusion and financial education and protect financial consumers. Finally, the commitment to establish an implementation and follow-up procedure within the Development Working Group clearly demonstrates the will of the G20 to have in place suitable mechanisms for implementation of its agreements.

For the first time, the issue of inclusive green growth figured high on the G20 agenda. The World Bank, OECD and the United Nations produced a report that examined how green growth and sustainable development policies can be incorporated into structural reform agendas, while the World Bank and the Asian Development Bank presented a useful report on best practices for urban mass transport infrastructure projects in medium and large cities in developing countries.

A G20 study group on climate finance was created, in order to consider ways to effectively mobilize resources to address climate change; this group will provide a progress report to finance ministers at their meeting in November. Finally, a progress report is now available on phasing out inefficient fossil fuel subsidies, which explores options for peer reviews on that issue.

In line with the 3G proposals, the Mexican Presidency of the G20 undertook ambitious, broader-based discussions with other stakeholders from December 2011 until the convening of the Los Cabos Summit, in order to consider and, as far as possible, incorporate the proposals of non-member countries, regional and international organizations and civil society in the G20 Leaders Declaration.

In particular, collaboration with the United Nations was very fruitful: its representatives participated actively in the preparatory meetings of the Sherpas and various working groups. The results of this collaboration can be seen in the reports and documents produced by the specialized agencies, which are available on the website of the Mexican Presidency of the G20 in an unprecedented effort at transparency and accountability.

It was demonstrated that regular contact and feedback between the G20 and international agencies is beneficial and helps to create synergies, build bridges and promote better coordination between the different international stakeholders. The process of broader-based discussions will continue during the second half of the year, so as to allow discussion of the results of Los Cabos and prepare the transition to the Russian Presidency of the G20.

Finally, in 2012 brainstorming exercises were carried out on how to strengthen global governance, neatly complementing the report by the Prime Minister of the United Kingdom, David Cameron, presented in 2011 at the G20 Leaders Summit in Cannes. The conclusion that emerged from those exercises, which involved various ministries and experts, was that it was for the international community as a whole to provide formal international bodies with clear mandates and sufficient human and financial resources.

Mexico welcomes the collaboration with and interest of 3G and members of the General Assembly of the United Nations in its Presidency of the G20 and reiterates its willingness to continue working closely on this and other issues on the international agenda.

(*Signed*) Lourdes **Aranda Bezaury**